PATENT INFRINGEMENT PROCEEDINGS IN GERMANY

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PATENT infringement proceedings before German courts allow for a fast and effective enforcement of patent rights. An enforceable injunction can be obtained within a relatively short period of time and at reasonable cost. In addition, German patent courts are well-known for their high level of competence and great experience. For example, the Dusseldorf patent infringement chambers alone deal with more than 1,000 patent litigation cases each year. Due to the very good reputation of the German patent courts, successful infringement proceedings in Germany may trigger an amicable settlement with effect for the whole European Union and beyond or may form a basis for rulings of courts in other European countries.

INFRINGEMENT – SCOPE OF PROTECTION

German patents and European patents granted with effect for Germany not only confer various exclusive rights associated with the literal use of an apparatus or method claim but also a so-called use by equivalent means is protected: Assuming that the attacked embodiment does not make literal use of the specific features of the claim, there is still a patent infringement if the attacked embodiment achieves the same effect by equivalent means provided that the person skilled in the art could have found those equivalent means at the priority date without any inventive effort and could have recognised those means as being encompassed by the asserted patent claim(s).

In addition, under German law the offering or supplying of means relating to an essential element of an apparatus or method claim is also protected if the third party knows or it is obvious that these means are suitable and intended to be employed to use the invention in Germany (contributory patent infringement). This does not require that any direct patent infringement exists.

Further, regarding method claims the patent owner may prohibit, inter alia, the offering and using of products which are produced directly by a protected method.

RIGHTS IN THE EVENT OF PATENT INFRINGEMENT

If the court finds infringement, the plaintiff can force the defendant to, *inter alia*:

- cease and desist from infringing the patent
- compensate the right owner for all past and future damages caused by the infringement, according to his choice based on: own lost profits, reasonable royalty or infringer's profits
- render accounts regarding, inter alia, the origin and the distribution channels of infringing products, the names and addresses of the manufacturers and commercial customers, the quantity of the products manufactured or supplied and the revenue and expenditure in connection with the infringing activities, including a detailed statement of the profit earned
- destroy infringing products still in possession or ownership of the defendant
- recall infringing products or remove them from the distribution channels
- allow the publication of the judgment at defendant's expense.

FACT FINDING

Under German patent law, the court will not investigate the facts of the case ex officio. Instead, it rests with the parties to submit the facts and the court will base its judgment solely on the facts presented by them. As there is no pre-trial discovery and generally the plaintiff has to present the facts supporting his case, he has to find these facts on his own – preferably prior to the filing of the complaint. In particular, the plaintiff needs to specify the infringing embodiment and explain precisely its functionality and features with respect to the patented claims.

However, the court may – at the plaintiff's request – require the potential infringer to submit documents and allow the inspection of the presumably infringing embodiment if the plaintiff can demonstrate a sufficient likelihood of infringement and is unable to collect the necessary information to prove infringement on his own. For example, such court order may be granted in separate pre-trial proceedings.

SEPARATION OF INFRINGEMENT AND VALIDITY

Under German law, infringement and validity are dealt with in separate proceedings by independent courts. Whereas infringement proceedings are litigated before civil courts, the competence for assessing validity is solely with the German Patent and Trade Mark Office or the European Patent Office, respectively, in opposition proceedings, and with the Federal Patent Court (first instance) and the Federal Court of Justice (second instance) in nullity proceedings. In practise, the infringement court regularly delivers an enforceable first instance judgment, including an injunction, before the opposition or nullity proceedings are completed in first instance. However, parallel validity proceedings may influence the infringement proceedings. If the infringement court deems the patent to be infringed but assumes a high likelihood that the patent will be held invalid, it can stay the infringement proceedings at its discretion until a first instance or final decision in the opposition or nullity proceedings was rendered.

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THE INFRINGEMENT COURTS

The competence for patent infringement cases lies with 12 Regional Courts which have specialised patent infringement chambers with great experience – best-known are the courts in Dusseldorf, Mannheim and Munich. The complaint must be filed either at the defendant's main place of business or at the place where the infringement occurs. In case the infringing product is offered throughout Germany, typically with an offer in the Internet, the plaintiff is free to choose any of the 12 Regional Courts taking into account strategic considerations.

ENFORCEMENT OF JUDGMENTS

If the judgment is not subject to appeal any more, it can be enforced by the prevailing party. As long as the judgment is not yet final, it can be enforced provisionally if a court-determined security bond is provided. A provisional enforcement needs to be considered carefully as the plaintiff must compensate the defendant for any damage suffered from the provisional enforcement if the judgment is finally lifted.

TIMING

In Germany, main infringement proceedings in the first instance usually take between 6 and 15 months, depending on the court's workload. If the court instructs a technical expert to deliver an expert opinion, proceedings are typically extended by 9 to 12 months. The appeal proceedings before the Higher Regional Courts usually take between 12 and 15 months, several months longer if an expert is called. Under very strict conditions, the appeal judgment can be submitted to the Federal Court of Justice for an appeal on points of law. Such proceedings usually take 2 to 3 years.

COSTS

The plaintiff must advance the court fees for the first instance at the time of filing the complaint. In addition and at the defendant's request, plaintiffs not having their main place of business in the European Union or the European Economic Area may be required to provide a security for the reimbursement of the defendant's statutory legal expenses in case the action is dismissed. The party who finally lost the case must reimburse the other party's statutory attorneys' and patent attorneys' fees, the court fees incurred by the latter and any necessary expenditures. Such statutory costs are calculated based on the value in dispute.

If – as usual – the value in dispute ranges from EUR 500,000 to EUR 5,000,000, the total cost risk of first instance proceedings (court fees, opposing party's costs and own costs) ranges between EUR 75,000 and EUR 250,000. The costs of appeal proceedings before the Higher Regional Court are slightly higher. ■

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Dr. Tilman Müller-Stoy's practice as a qualified specialist IP lawyer and partner at BARDEHLE PAGENBERG focuses on patent litigation in all technical fields, technology-related copyright, unfair competition matters and patent-relevant anti-trust law. He represents clients in patent infringement suits before the German infringement courts, in invalidation and opposition proceedings before the German Federal Patent Court, the German Patent and Trademark Office, the European Patent Office and the German Federal Supreme Court. He is frequently active in multi-jurisdictional patent infringement suits (often relating to the U.S. and to industrial standards), patent entitlement proceedings, IP arbitration cases, negotiating and drafting IP-licensing and R&D agreements, and counselling on employee inventions.